



Montana Department of  
**REVENUE**

## Tax Sharing Agreements

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# Why Tax Sharing Agreements?

- Eliminates the possibility of double taxation
- Promotes economic development
- Limits controversy on tax authority
- Assists with tax compliance
- Administrative ease
  - Both sovereigns and industries



## How Many Department of Revenue Tax Sharing Agreements Exist?

- 11 revenue sharing agreements
  - 1 oil and gas agreement
  - 6 tobacco agreements
  - 4 alcohol agreements



# What Department of Revenue Tax Sharing Agreements Exist?

- Fort Peck
  - Oil and gas agreement
  - Tobacco agreement
  - Alcohol agreement
- Fort Belknap
  - Tobacco agreement
  - Alcohol agreement
- Blackfeet
  - Tobacco agreement
  - Alcohol agreement
- Northern Cheyenne
  - Tobacco agreement
- Chippewa Cree
  - Tobacco agreement
- Crow
  - Tobacco agreement
- Confederated Salish and Kootenai
  - Alcohol agreement





# Specifics of the Department of Revenue Tax Sharing Agreements

- Oil and Gas
  - Shares oil and production taxes 50% - 50%
  - An effort to promote drilling within the exterior boundaries of the reservation
  - Designed to not adversely affect local municipalities as the tax shared is limited to new drilling
- Tobacco
  - Montana tobacco tax collected / Montana population \* tribal population \* 150% = quarterly distribution
  - Assists in compliance of tobacco tax
  - Administrative ease
- Alcohol
  - State's general fund portion of alcohol tax collected / Montana population \* tribal population = quarterly distribution



# Questions?



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